

Town of Plymouth (MA) Contributory Retirement System
Request for Proposals
Custody Services

Notice to Prospective Respondents

The Town of Plymouth (MA) Contributory Retirement Board is seeking proposals from qualified financial institutions to provide custody services for the Retirement System's \$237 million investment portfolio. Qualified respondents will have established experience servicing public fund retirement plans and have reporting capabilities to meet the specialized requirements of the System and the Massachusetts Public Employees Retirement Administration Commission (PERAC).

The custody agreement made between the selected vendor and the Plymouth Retirement Board is subject to mandatory contract terms and provisions of the Massachusetts General Laws, Chapter 32, as amended by Chapter 176 of the Acts of 2011, and the rules and regulations of the Public Employees Retirement Administration Commission (PERAC), 840 CMR. The selected vendor must have familiarity and agree to comply with all applicable laws and PERAC regulations.

The Board reserves the right to cancel or reject in whole or part any or all proposals in the best interest of the Retirement System.

The RFP is available up to the proposal deadline by visiting
<https://www.fiducientadvisors.com/client-rfps>.

Proposal deadline is Friday December 30, 2022 at 4:00 PM EDT. Late proposals will not be accepted.

GENERAL INFORMATION AND INSTRUCTIONS

Please carefully review the terms and conditions outlined in the following sections of the RFP prior to submitting a proposal.

- General Information and Instructions
- Mandatory Terms and Conditions per MGL Ch. 32, s.23B, as amended by Ch. 176 of the Acts of 2011.
- Required PERAC Disclosures – Vendor Contact Form, Vendor Certification, Vendor Disclosures (Compensation Paid, Compensation Received and Conflict of Interest)
- Evaluation Criteria
- Minimum Criteria Certification
- Questionnaire

Please direct any questions pertaining to this RFP via e-mail to:

Lucas Hannegan
Fiducient Advisors
100 Northfield Drive
Windsor, CT 06095
E-Mail: lhannegan@fiducient.com

Description of Services

The Plymouth (MA) Retirement Board is seeking proposals from qualified financial institutions to provide custody services for the Retirement System's \$237 million investment portfolio. Qualified respondents will have established experience servicing public fund retirement plans and have reporting capabilities to meet the specialized requirements of the System and the Massachusetts Public Employees Retirement Administration Commission (PERAC).

The account structure consists of a mix of mutual funds, separate accounts, and commingled funds which are held at source but will require shadow booking transactions and valuations to ensure accurate reporting for the portfolio on a consolidated basis.

Account Structure:

Separate Accounts: 2 (Domestic Equity)

Mutual Funds: 2

Commingled Funds (Shadow Booked Line Items): 27 all of which are valued monthly

The Retirement System will not require benefit payment processing services for retirees.

Availability of RFP:

The RFP is available up to the deadline by visiting <https://www.fiducientadvisors.com/client-rfps>.

Proposal deadline: Friday December 30, 2022 at 4:00 PM EDT Late proposals will not be accepted.

Opening of Proposals: Thursday December 1, 2022 at 9:00 am EDT

A register of proposals will be maintained for public inspection.

Expected Timing of Award

Vendor selection is expected to take place within 180 days of the RFP's submission deadline. The timing of the award of the contract may be extended at the Board's discretion upon mutual agreement between the Board and bidder(s).

The Board reserves the right to make an award without interviews of the bidders. A bidder should submit a proposal on its most favorable terms considering both services and price. The Board shall have sole discretion in deciding which bidders, if any, will be considered following the initial evaluations and/or interviews.

Rejection of Proposals

The Retirement Board may, at its discretion, cancel a request for proposals or may reject in whole or in part any or all proposals in the best interest of the Retirement System.

Modification of Proposals

A bidder may correct, modify or withdraw a proposal by written notice to the Retirement Board and Fiducient Advisors, the Board's Investment Consultant, prior to the time and date set for the opening of proposals.

The Retirement Board reserves the right to waive minor informalities and/or allow the bidder to correct them.

Submission of RFP: due on Friday December 30, 2022 at 4:00 PM EDT. Late proposals will not be accepted.

Submit one complete electronic file copy via email to:

Lucas Hannegan

lhannegan@fiducient.com

Consulting Analyst

Please also cc Wendy Cherry, Plymouth's Retirement Board Director at

Wendy@plymouthretirement.com

Please note in the subject line: Plymouth Retirement – (Custodian Name) RFP Response

All respondents **must include** the following with its proposal:

- **Signed Cover Page (May be in the form of a letter)** - On the Cover Page, please note your firm name, the RFP for which you are responding to, and the proposed services. The proposal must be signed by an official authorized to bind the firm, and it shall contain a statement to the effect that the proposal is firm offer for acceptance by the Retirement Board for 180 days from the date of submission.
- Required PERAC Vendor Certification and Vendor Disclosures
- Certified Minimum Criteria Response
- Questionnaire
- Sample of reporting statement with link to online demo, if possible
- Other attachments as may be specified in the questionnaire

**Required Vendor and Certification Forms
(as required by amended M.G.L. Ch. 32 s.23B)**

Please note: Submit one set of completed and signed required PERAC forms below with your submission to the Board's Investment Consultant. The forms have been included with the RFP documents for your convenience. They may also be found on PERAC's website at <http://www.mass.gov/perac/compliance-investments/compliance-forms/>.

Vendor Contact Form

Vendor Certification Form

Vendor Disclosures Form

Failure to complete and submit all required disclosures will result in rejection of bidder's proposal.

EVALUATION CRITERIA

Evaluation Criteria

Each proposal that satisfies the minimum criteria will be evaluated initially through due diligence in the following areas. Each evaluation criteria will be assigned a rating of Highly Advantageous, Advantageous, Not Advantageous, or Unacceptable. Each proposal will receive a composite rating taking into consideration the collective ratings of the individual criteria.

- Organization, including Financial Strength and Stability
- Assets Under Custody
- Experience of Service Team
- Experience with Municipal and/or Public Pension Plans
- Reporting Capabilities
- Fees and Transaction Costs

The Retirement Board reserves the right to waive certain minimum requirements or other provisions if deemed by the Board to be in the best interest of the Retirement System to do so.

Proposals will be evaluated based on the respondent's qualifications including but not limited to the stability of the organization and its institutional services team, assets under custody/safekeeping, risk management, experience with public pension plans, reporting capabilities and fees. Submissions should be clear and concise. Any amendments to proposals must be submitted in writing to the Board's investment consultant by the proposal deadline.

MINIMUM CRITERIA RESPONSE

Firms must meet all of the following minimum criteria. If your firm does not meet the minimum criteria, please do not submit a proposal. Failure to meet minimum qualifications will disqualify the bidder.

Yes/No

1. The firm has been in operation and providing custodian services for at least five years.

2. The firm must have a minimum of five years of experience servicing municipal or public pension plans.

3. The firm has completed and submitted one signed original of the PERAC Vendor and Disclosure forms as required by PERAC. Failure to submit these forms will result in disqualification.

Certified by:

Name

Date

Authorized Signature/Title

RFP Trust & Custody Questionnaire

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I. Firm Background

1. Please state the main contact to receive all RFP-related questions. *If that contact differs from our' Consultant Relations contact, please list that individual's contact information as well.*
 - Firm Name
 - Name
 - Title
 - Address
 - Telephone
 - E-mail
2. Please provide the following information about your firm:
 - Year of organization's founding
 - Total employees in the organization
 - Location of corporate headquarters
 - Number of total firm locations
 - Year institutional trust services began
 - Total employees in the institutional trust services segment
 - Location(s) of institutional trust services
 - Location(s) of call centers
 - Describe any parent/subsidiary/affiliate relationships
 - If applicable, describe any past or pending merger/acquisition activity. How is that affecting trust and custody services?
 - Indicate any changes to your credit rating over the past two (2) years
3. Please provide the following information about your institutional trust and custody business. Please include separately a total for municipal and public pension fund clients and note any local Massachusetts based Retirement Systems if applicable.

Note: If your firm is providing multiple RFP Database Questionnaires for different market segments, the data below should encompass your firm's entire trust & custody business, not just one specific market segment. Therefore, data for this question should be consistent throughout each database response.

Client Size (by Assets)	Total Assets (\$)	Total Number of Clients	% of Total Clients
\$0 – \$50 million			
\$50 – \$100 million			
\$100 – \$250 million			
\$250 – \$500 million			
\$500 million – \$1 billion			
Over \$1 billion			

4. What is the average client size by assets?
5. What is the median client size by assets?
6. How many new trust & custody relationships were added over the following periods? Please include a separate total of gains for local Massachusetts Retirement Systems.

Client Size (by Assets)	2021	2020	2019	2018	2017
\$0 – \$50 million					
\$50 – \$100 million					
\$100 – \$250 million					
\$250 – \$500 million					
\$500 million – \$1 billion					
Over \$1 billion					
Total					

7. How many trust & custody relationships were lost over the following periods? Please include a separate total of losses for local Massachusetts Retirement Systems.

Client Size (by Assets)	2021	2020	2019	2018	2017
\$0 – \$50 million					
\$50 – \$100 million					
\$100 – \$250 million					
\$250 – \$500 million					
\$500 million – \$1 billion					
Over \$1 billion					
Total					

8. Does your firm break out target markets by client size, total assets? If so, please state your firm's target market segments.
9. Detail your firm's technology budget and how the budget is determined. What was allocated to technology in 2021, 2020, and 2019 (provide annual technology investment separately)? How much was allocated specifically to trust and custody?
10. Are there any planned website, mobile and any other technological enhancements in the near future?
11. What are the top reasons cited for your firm winning business in finalist presentations?

12. Which of the following services are currently provided by your organization?

Service Provided		Number of Plans	Total Assets
Trust & Custody	<input type="checkbox"/>		
Defined Benefit Administration	<input type="checkbox"/>		
Defined Benefit Actuarial Services	<input type="checkbox"/>		
401(k)	<input type="checkbox"/>		
403(b)	<input type="checkbox"/>		
457	<input type="checkbox"/>		
Taft-Hartley	<input type="checkbox"/>		
Profit Sharing / ESOP	<input type="checkbox"/>		
Puerto Rico Plan Administration	<input type="checkbox"/>		
Non-Qualified Deferred Compensation	<input type="checkbox"/>		
Supplemental Executive Retirement Plans (SERP)	<input type="checkbox"/>		
Company Stock Administration	<input type="checkbox"/>		
Restricted Stock and Employee Stock Purchase Plan	<input type="checkbox"/>		
Defined Contribution/Defined Benefit (consolidated administration and reporting)	<input type="checkbox"/>		
Total Benefit Statements	<input type="checkbox"/>		
Health and Welfare Administration	<input type="checkbox"/>		
HSA Administration	<input type="checkbox"/>		
Payroll	<input type="checkbox"/>		
Other HR Outsourcing	<input type="checkbox"/>		

13. What percentage of your company or parent company revenue, excluding interest, is Corporate/Institutional global custody?

14. Please describe any legal activity (filed, pending or settled) in the past 5 years.

15. Provide your SOC 1 or equivalent. Who performs your audit?

16. Have you had a qualified audit in the past 5 years?

II. Custody Services

1. What is the average ratio of clients to Relationship Managers? If your response differs based on client segment, what are the breakpoints for changes in ratio of clients to relationship managers?

2. What is the average annual turnover among Relationship Managers?
3. What is the average length of service a Relationship Manager has with each individual client?
4. Describe the compensation structure of your Relationship Managers.
5. What is the client service team structure? If this differs by market segment, please provide for each market segment.
6. Specify the methods used by your organization to monitor client satisfaction and the frequency.
7. Are your service levels audited or surveyed by any outside firms? Please describe.
8. Do clients have the ability to generate customized reports online? Does this include the ability to make corrections?
9. What security measures restrict access by location or by personnel?
10. Please describe your process for training clients with regards to your web portal. Include information regarding initial training procedures as well as ongoing training as enhancements are rolled out. Specify if training is conducted on-site, web-based, etc.
11. If the client elects, do you offer online access of client information to third parties such as consultants and auditors?
12. Are your systems integrated with the ADVENT platform for daily data feeds?
13. What is your standard response time in responding to a client request?
14. Who tracks inactive accounts and is ultimately responsible for closing them?
15. Are you willing to put “fees at risk” in a Service Level Agreement? Do you have a sample SLA you can provide?

III. Technology

1. Describe your online reporting service for clients, investment manager and advisors? How current is the information? What are system support availability hours?
2. What current and historical information is available on the on-line system?
3. In what format(s) is data available?
4. How current is the online information?
 - a. What hours is this information available?
 - b. How frequently is the data updated?

- c. How many months of data are available via the web-based platform?
 - d. How are clients notified monthly audited data is available?
- 5. Can non-standard reports be created by users with your online software?
- 6. What client training do you provide for utilizing your online system?
- 7. Provide a complete description of your accounting system.
- 8. How long has the current system been in place?
- 9. What system security measures do you have in place?
- 10. Do you provide settlement date and trade-date reporting?
- 11. Do asset valuations include accrued income and dividends, as well as all pending transactions?
- 12. What steps are taken to ensure the accuracy of your reports? Are final monthly reports audited before they are mailed to clients? If so, by whom?
- 13. What are your retention policies and procedures for all records, tax materials, reports, etc.?
- 14. Please provide an overview of your disaster recovery plan.
- 15. Please provide a sample set of standard monthly reports. Include a list of all available report formats.
- 16. Please provide the duration and date of your longest unplanned system outage.
- 17. What planned updates for the systems in the next 2 years?
- 18. Are you able to grant “read only” access to auditors?
- 19. Does your system support the following?
 - a. Cash instructions for vendor payments
 - b. Security instructions
 - c. Proxy votes
 - d. FX
 - e. Class Actions
 - f. Stock Loan Recalls
- 20. How frequently are your reports updated online? (real-time, hourly, daily)

21. Does your platform allow for clients to place trades, move money and/or wire funds online? If not, how are trades communicated? Please provide a sample trade ticket or LOD for placing trades.

IV. Data Security

1. Do you follow generally accepted security and privacy best practices? If not, explain why.
2. Does your firm have a formal privacy and security policy? If yes, please provide.
3. Identify your firm's Chief Information Security Officer or equivalent position and associated team solely dedicated to data security and protection.
4. Detail your firm's cybersecurity procedures, data encryption and technical measures to prevent unauthorized access or alteration, fraud, theft, misuse or physical damage to hardware, software, communications networks and data.
5. Describe your system back-up, security and disaster recovery procedures.
6. Are files archived and stored at an off-site location? If so, what is the location?
7. How often are disaster recovery procedures tested? When did you last perform a full-scale disaster recovery test?
8. Do you conduct an annual independent assessment of your firm's cybersecurity policies?
9. Do you have a formal policy with respect to accessing and storing personal identifiable information on laptops and portable storage devices? Please provide a copy of the policy.
10. Do you have a formal policy on storing personal identifiable information, including where it is stored, how long it is stored and how it is eliminated?
11. Are all personnel with access to personal identifiable information trained on protection of the data?
12. Does your firm carry cybersecurity insurance? If yes, provide an overview and limits of the coverage.
13. What type of password management policies do you have in place?
14. What are your sign-on and authentication procedures?
15. What systems do you use to maintain email authentication on all inbound and outbound mail streams?
16. What encryption policies will protect data as it is transferred and where is it stored?

17. How do you review server certificates for vulnerabilities?
18. What types of firewall protections are established? Please describe.
19. Is there a single-tenant hosting option separated from that of other clients?
20. Who manages the application to prevent insider breaches? What least privilege user access (LUA) practices do you follow?
21. Who handles penetration and vulnerability testing and how is it conducted? How frequently do you conduct these tests and scans?
22. Does your privacy policy reflect your data collection and sharing practices, including the use of third parties? How frequently do you audit your site and or third parties to confirm compliance?
23. Describe the frequency and scope of data breaches and remediation processes.
24. Have you had any types of security breaches over the last 36 months? Please describe. Comprehensively detail your firm's response.
25. Do you have a 24/7 incident response team in place? What type of reporting process do employees have?

V. Securities Processing / Accounting

1. Describe your settlement process for domestic and international securities transactions.
2. Which major depository and clearinghouse facilities are you a member of?
3. How do you handle corrections/reversals?
4. How does the system handle accruals?
5. How does the system handle paydowns? What source is used for paydown information?
6. How are interest and dividends handled?
7. What pricing services do you subscribe to for each investment class? Is there an instance where you would have to manually price a security?
8. Describe your process for settling a mutual fund trade.
9. Describe your trade services group and how they work to ensure a seamless process with investment managers.
10. Describe your process for administering hedge funds, private equity and limited partnerships?

11. Describe your process for completing capital calls.
12. Can you process capital calls on behalf of a client?
13. How do you handle processing and voting of proxies?
14. What procedures exist to handle corporate actions?
15. Are you able to unitize securities?
16. How many clients utilize your unitized securities services?
17. Does utilizing this service change the timing of client and advisor deliverables?
18. Please provide the fee schedule for unitized securities services.
19. What are the cut-off times for wire transfers and transactions?
20. Does your platform allow for clients to place trades, move money and/or wire funds online? If not how are trades communicated? Please provide a sample trade ticket or LOD for placing trades.
21. Does your platform trade mutual funds in Omnibus accounts?
22. Can you accommodate Plan-Level accounting?
23. Describe your accounting process for hedge fund reporting.
24. Do you update the system with performance estimates provided by hedge fund managers or do you only report audited statements?
25. Describe your accounting process for private equity reporting.
26. Do you update the system with performance estimates provided by private equity managers or do you only report audited statements?
27. Describe your charitable gift practice.

VI. Trustee Services

1. Can your firm provide trustee services?
2. Are you able to custody global assets? If not, do you partner with a third-party?
3. Please indicate where your trust company is located.

4. Do you allow clients to select an alternative trustee provider?
5. Please explain how you would reconcile the custody system with an outside trustee.
6. Will you act as trustee on outside funds?
7. Can you act as the broker of record? If so, can any revenue received from the investment manager be credited back to the client? List all sources of revenue that can be captured from the investment manager.

VII. Outsourcing

1. What, if any, services do you outsource?
2. To whom are the services outsourced and where are they located?
3. Who oversees the outsourced relationships?
4. How often are the outsourced relationships reviewed or put out for bid?

VIII. Conversion

1. Is there a conversion specialist team that is assigned to each conversion?
2. Do you have a formal process to monitor the quality and effectiveness of the conversion process and team? If so, provide details.
3. Describe your process to ensure accurate conversion of all historical data.
4. Describe the testing environment during implementation.
5. What conversion audit reporting do you provide?
6. Describe the various options for handling investments during the conversion process. How do you handle funds that have short-term redemption fees?
7. Do you complete parallel data runs for accounting and benefit payments before going live?
8. Does your firm offer transition management services? Are those services included or priced separately?
9. What level of involvement will the client have in the conversion process?
10. What additional costs are associated with conversion?

IX. Fees

Please provide a comprehensive summary of proposed fees and associated costs. Fee proposal should reflect the respondent's most advantageous terms.

LINE ITEMS	FEE SCHEDULE
<u>Asset Based Fees (Annual)</u>	
U.S. Assets	
Non - U.S. Assets	
Standard regulatory support fee	
<u>Transaction/Service Fees:</u>	
U.S. Trade Capture & Settlement	
Per Depository Transaction	
Per P&I, Payup/Paydown	
Per Repo Transaction/Collateral	
Per Leg of Futures, Option, or Swap	
Per OTHER Transaction (e.g. Physical, Not-in-Bank)	
Non-U.S. Markets Capture & Settlement	
Other	
Per Wire/Vendor Payment/Margin Variation	
Per Manual Check Request	
Per Non-USD Wire Transfer	
3rd Party Cash Management (STIF) Sweep Fee	
3rd Party Security Lending	
Per F/X not executed at custodian	
Per Mandatory Corporate Action	
Per Voluntary Corporate Action	
Per Late or Manual Corporate Action Response	
<u>Account Based Charges (Annual):</u>	
Account Fees for monthly pricing and valuation	
Active Accounts:	
Per standard	
Per complex	
Simple Line Item Accounts:	
Per account	
Per line item	
Per cash account	

Additional Services:

Daily pricing and valuation

Proxy services:

Per Ballot Issue

Per Incoming Vote

Per Manual Instruction

Any other proxy service charges

Cash Management:

Proprietary Cash Management Fund

Benefit Disbursements - (NOTE: DB payment services not required for Plymouth)

PERAC Requirements

Additional services such as customized reporting to meet PERAC requirements

De-conversion Processing

Project fee

Other fees not noted above

Will your fee be applicable for the duration of the client assignment? Please note that the expected initial term of the award is for a period of seven years.

Is your proposed fee schedule negotiable? Please describe to the extent your firm is willing to negotiate its fee for the proposed mandate.